GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:4399
ANSWERED ON:22.04.2010
PRICES OF MEDICINES
Dashmunsi Deepa

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the prices of medicines falling under National Pharmaceuticals Pricing Authority (NPPA) have been reduced after reduction in excise duty in the country;

(b) if so, the details thereof;

(c) whether any modification has been issued by NPPA in this regard;

(d) if so, the details thereof;

(e) the total percentage of likely reduction in the prices of medicines;

(f) whether the prices are likely to be fixed uniformly for all the States;and

(g) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (g): Consequent upon reduction in excise duty on Drugs and Pharmaceuticals vide Notification No.4/2008-CE dated 1st March, 2008 from 16% to 8% and reduction of abatement from 42.5% to 35.5% vide Notification No.14/2008-CE(NT) dated the 1st March, 2008 of the Government of India in the Ministry of Finance (Department of Revenue), NPPA vide S.O. No.418 (E) dated the 3rd March, 2008 revised the equivalent Maximum Retail Price (inciusive of all taxes) of all Scheduled formulation packs downwards by 4.58%. With respect to non-Scheduled formulation NPPA vide Guidelines No.2/2008 dated the 10th March, 2008 advised all the manufacturers and marketing companies to ensure the reduction of MRP (inclusive of all taxes) by 4.58%.

Subsequent to further reduction in excise duty by the Government vide Ministry of Finance, Department of Revenue Notification No.58/2008-CE dated the 7th December, 2008 from 8% to 4%, NPPA vide S.O. No.2856(E) dated the 10th December,2008 revised the equivalent Maximum Retail Price (inclusive of all taxes) of all Scheduled formulation packs downwards by 2.84%. With respect to non-Scheduled formulations NPPA vide Guidelines No.5/2008 dated the 10th December, 2008 advised all the manufacturers and marketing companies to ensure the reduction of MRP (inclusive of all taxes) by 2.84%.

The new MRP would be uniformly applicable in all the States, wherever the excise duty has actually been paid to the Government.

S.O. No.418(E) dated the 3rd March, 2008, S.O. No.2856 (E) dated the 10th December, 2008, Guidelines No.2/2008 dated the 10th March, 2008 and Guidelines No.5/2008 dated the 10th December, 2008 are available at NPPA website www.nppaindia.nic.in.